

## **Problem Solvers Caucus: Debt and Deficit Working Group**

### **Proposed Debt Ceiling Framework**

#### **Goals:**

1. Avoid defaulting on the national debt.
2. Advance a sustainable budget.
3. Address our nation's long-term fiscal health.

#### **Step 1: Temporarily Suspend the Debt Ceiling.**

(a) Suspend debt ceiling through December 31, 2023 to remove immediate pressure of defaulting on our national debt. This will afford us time to complete the FY2024 budget and appropriations cycle, and complete steps 2 and 3 – implementing interim deficit stabilization controls and establishing a BRAC-like Fiscal Commission.

(b) If Steps 2-4 are achieved by December 31, 2023, there will be an automatic conversion from a debt ceiling suspension to a debt ceiling increase -- the amount of which will be guided by the established interim deficit stabilization controls. This extension is intended to continue through February 28, 2025, when Congress considers the Fiscal Commission report, and will reflect the projected debt as of that date.

#### **Step 2: Creation of a Fiscal Commission.**

Create a BRAC-like external Fiscal Commission to review and recommend a package to stabilize long-term deficits and debt. The report is due no later than December 31, 2024, and must receive expedited consideration with an up or down vote in Congress by February 28, 2025.

#### **Step 3: Interim Deficit Stabilization Controls.**

Adopt controls for the FY2024 budget and appropriations cycle and beyond to help stabilize the nation's long-term budget during the Fiscal Commission's work and Congress' consideration of its proposal.

#### **Step 4: Adopt Budget Reforms.**

Adopt bipartisan budget process reform recommendations of the House Committee on Modernization and Joint Select Committee on Budget and Appropriations Process Reform, including:

- a) Regular order for budget and appropriations process.
- b) Comptroller General must issue an annual report on the fiscal state of the nation.
- c) President must submit a mid-year report on the nation's budget.